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SUMMARY RECORD OF THE 14th MEETING

Chairman: Mr. HADID (Algeria)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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The meeting was called to order at 10.25 a.m.

AGENDA ITEM 121: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS (continued) (A/48/16 (Parts I and II), A/48/277, A/48/281, A/48/428 and A/48/452)

1. Mrs. GOICOCHEA (Cuba) said that the programming and budgeting function was of the highest importance since it was the channel for the implementation of decisions by Member States. In that connection, the view had long been expressed that there was a need to reform the medium-term plan in order to enhance its usefulness in managing the Organization's activities.

2. It was thus disappointing that the report on a possible new approach to programme planning (A/48/277) did not contain a prototype of a new format. The comment, in paragraph 21 of the report, that the planning process within the Secretariat had been treated as paperwork raised the question of whether the Secretariat's difficulties in implementing the plan had been caused by the complexity of its structure and format or by a failure to implement the decisions of Member States. Equally disquieting, given the fundamental role of Member States, was the further comment in the same paragraph that the planning process had not been treated as an opportunity to formulate understandings of the future and commitments for action. In that connection, she recalled that, under regulation 3.2 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, the medium-term plan should be a translation of legislative mandates into programmes.

3. Notwithstanding the difficulties inherent in the structure and implementation of the medium-term plan, the principles governing programme planning, set forth in General Assembly 37/234, remained valid. Caution was thus necessary in considering the structure of the new planning document. The Committee must be quite clear as to what advantages the new format would offer before any decisions were taken.

4. Her delegation noted the conclusions and recommendations of the Committee for Programme and Coordination (CPC), but sought clarification of the difference between the current Introduction to the plan and the proposed policy-level "Perspective". Further, if there was to be no reference in the conclusions and recommendations of CPC to planning objectives and priorities, she wondered what guidelines the Secretariat would follow in proposing the allocation of resources at the subprogramme level. The comment that the narrative of substantive subprogrammes should consist of clearly formulated objectives designed to bring about observable change (A/48/16, Part II, para. 235) also required clarification. She would also like to know what difference there would be between the existing programme implementation reports and the proposed programme implementation reports and the proposed programme and budget performance reports.

5. Miss PEÑA (Mexico) said that her delegation noted with concern that the Secretariat had not prepared a prototype of a possible new format of the medium-term plan, as requested by the General Assembly. She trusted that the prototype would be submitted at the forty-ninth session.

(Ms. Peña, Mexico)

6. The medium-term plan, as a policy directive, remained fully valid. The possible replacement of the medium-term plan by a composite document (A/48/16, Part II, para. 233) could be considered further, bearing in mind that the document finally adopted must support the mandates of Member States. The view of CPC on the perspective section of such a composite document reflected one possible approach, but the General Assembly was not yet in a position to take a final decision on the revision of the plan.

7. Her delegation regretted that the report on the accountability and responsibility of programme managers (A/48/452) was not what the General Assembly had called for at the forty-seventh session. While she concurred in the conclusions of CPC on that matter, she would welcome the views of the Advisory Committee on Administrative and Budgetary Questions (ACABQ).

8. With regard to the contingency fund, her delegation believed that the procedures relating to statements of programme budget implications should be fully applied. Lastly, the report on the restructuring and efficiency of the Secretariat (A/48/428) also failed to meet the expectations of Member States. She looked forward to the Advisory Committee's comments thereon.

9. Mr. PRASODJO (Indonesia) said that his delegation supported the recommendations made by CPC at its thirty-third session. In connection with a possible new approach to programme planning, the proposal regarding the replacement of the Introduction to the medium-term plan by a policy-level "Perspective" had merit. The proposed "Perspective" should be a concise forward-looking policy document containing an analysis of problems and trends to be addressed by the international community within the following four to six years, and should state the role to be played by the Organization, indicating broad priority areas.

10. The current two-year programme budgeting cycle should be retained since that would obviate the need to approve a budget every year. As for the budget itself, substantive subprogrammes should consist of clearly formulated objectives. The performance monitoring process should be used to improve programme effectiveness.

11. The report on the restructuring and efficiency of the Secretariat (A/48/428) was descriptive rather than analytical. In the process of restructuring, the stability of the Secretariat should be emphasized. Moreover, greater attention should be paid to economic and social development, in keeping with the objectives of the Charter. With respect to the proposed incorporation of the Office of Project Services into the Department of Development Support and Management Services, it was important to ensure that there was no negative impact on the development efforts of developing countries.

12. His delegation supported the general thrust of the report on the accountability and responsibility of programme managers in the United Nations (A/48/452), in particular the need for the delegation of responsibility and for coordination and leadership from the top. As the report indicated (para. 57), increased demands by Member States, coupled with greater managerial discretion, might require adjustments in the regulations and rules that currently guided the work of the Secretariat. His delegation endorsed the conclusions and

(Mr. Prasodjo, Indonesia)

recommendations of CPC on the matter. If the goals and objectives set out in the Charter were to be achieved, each organization should develop a system of delegating responsibility. Moreover, the accountability and responsibility of managers should be further enhanced. In that connection, efficiency must be promoted by the creation of a qualified professional international civil service; the spirit of service and discipline could be strengthened with the help of effective administrative and personnel information systems.

13. Mr. JU Kuilin (China) said that the report on a possible new approach to programme planning (A/48/277) was not a satisfactory response to the request of the General Assembly in resolution 47/214, that a prototype of a possible new format of the medium-term plan should be submitted at the current session. In that resolution, the General Assembly had reaffirmed that the medium-term plan was the principal policy directive of the United Nations and should serve as the framework for the programme budget. As had been pointed out on many occasions, there were many shortcomings in both the formulation and the implementation of the plan, and improvements were needed. A proposal had been made that the Introduction to the medium-term plan should be replaced by a "Perspective" document. While the idea had merit, further consideration was needed. It was important for Member States to hold a thorough discussion on the format of the medium-term plan.

14. The report on the restructuring and efficiency of the Secretariat (A/48/428) provided no analysis of the effects of restructuring, but merely listed the various steps that had already been taken. That made it difficult to assess the real impact of restructuring on programmes. He hoped that the Secretariat could provide further information. There was a question whether restructuring was actually achieving the desired results and leading to improved efficiency.

15. Although the importance of economic and social development and the interrelationship between such development and peace and security had been recognized, it was clear from a study of the allocation of resources under the various sections of the proposed programme budget for the biennium 1994-1995 that equal weight had not been attached to those two areas. He trusted that the Secretary-General would rectify the imbalance in the future work of the Organization.

16. Mr. ABDELLAH (Tunisia) said that his delegation welcomed the efforts to improve the effectiveness of the Organization, in part through the restructuring of the Secretariat. It believed, however, that there was a need for an overall approach and a clear vision of the future. While it was convinced of the dynamic character of the restructuring, it was also aware of the need to draw up a timetable for putting the implementation of the major changes in the Secretariat, as stipulated in paragraph 11 of resolution 47/212 B, II of 6 May 1993.

17. All Member States were agreed that restructuring was not an end in itself but rather a means of enhancing the effectiveness of the programmes and priorities determined by the General Assembly and other intergovernmental bodies. It was therefore necessary to consider the impact of restructuring on ongoing programmes and on the priorities set in the medium-term plan.

(Mr. Abdellah, Tunisia)

18. It was important to retain a balance between the Organization's various interests in the activities - political, economic, environmental, social and humanitarian. The substantial consensus on the medium-term plan achieved at the forty-seventh session of the General Assembly should be consolidated. That approach was in no way incompatible with attempts to alter the presentation or to adjust the format of the plan to make its general thrust clearer and better defined. In that connection, his delegation endorsed the recommendation of CPC that the two-year programme budget cycle should be maintained. His delegation had joined in the consensus on the revised estimates in the spring and he reiterated its support for the balanced and integrated approach taken in resolution 47/212 B. One of the major goals of the restructuring was greater efficiency, but improved allocation of responsibility between Headquarters and the Organization's other offices, in particular those in Vienna and Nairobi, was equally important.

19. His delegation believed that the maxim that power entailed responsibility applied equally to programme managers. It had taken note of the Secretary-General's report on that subject (A/48/452) and joined CPC in urging the Secretariat to establish a system of accountability and responsibility as soon as possible, to enable the General Assembly to evaluate programme performance, identify the causes of any shortcomings or delays, and propose appropriate remedies.

20. His delegation welcomed the appointment of a high-level official to be responsible for inspections and investigations. That appointment should in no way be regarded as a reflection on the integrity of the staff, but simply as a counterweight to the complexity of the current mechanisms. Those mechanisms themselves needed improvement if the Organization's effectiveness was to be enhanced, and his delegation would give careful consideration to any constructive proposal towards that end in a spirit of cooperation.

21. Mr. KOULEBA (Ukraine) said that enhancement of the authority and role of the United Nations was inconceivable without increased efficiency in its administrative and financial functioning. The measures introduced in accordance with resolution 47/212, in particular the current redeployment of Professional and General Service posts, ought in fact to bring about a considerable increase in efficiency. In that connection, the proposed changes to the staffing table required clearer presentation and better justification, with specified time-limits for their implementation. New blood should also be injected into the Secretariat through recruitment on a broad regional basis.

22. His delegation generally supported the Secretary-General's determination to continue the reforms because the restructuring of the Secretariat was an important part of the effort to revive the activities of the United Nations. The action already taken must be followed by further reforms, including the reorganization of the Secretariat and field units. The reorganization must not be restricted to Headquarters. Ukraine welcomed the Secretary-General's intention to consider the redistribution of activities with a view to identifying in greater detail the basic areas of activity of every centre and programme, and it supported his proposals concerning the decentralization of the Secretariat and the transfer of functions to the field and the regional commissions. Such decentralization must be carried out in accordance with

(Mr. Kouleba, Ukraine)

resolutions 47/199 and 47/212 B. The latter resolution invited the Secretary-General, in the context of the implementation of the current phase of the restructuring, to consider activities related to the economies in transition. He hoped that that invitation would be acted upon.

23. Mr. DIMOV (Bulgaria) said that his delegation fully endorsed the conclusions and recommendations of CPC on the reports before the Committee. It agreed that the report of the Secretary-General on the accountability and responsibility of programme managers in the United Nations (A/48/452) did not answer all the issues which the Secretary-General had been asked to address and it welcomed the recommendation that he should implement a system of accountability and responsibility as soon as possible. It also subscribed to the suggestion that the Fifth Committee should adopt a specific resolution on the matter at the current session.

24. In connection with the report on the restructuring and efficiency of the Secretariat (A/48/428), his delegation awaited with interest the further report on decentralization. It also emphasized the need for further increases in staff and resources to service the subsidiary bodies of the Security Council. In particular, it attached special importance to accelerating the process for dealing with communications addressed to the Security Council Committee established pursuant to Security Council resolution 724 (1991) concerning Yugoslavia. The increased responsibility and workload of the Centre for Human Rights also called for additional resources, although not at the expense of programmes in the economic and social sectors. The principle of equitable geographical representation should apply to any increase in the Centre's staff.

25. The report on financing an effective United Nations (A/48/460), which had been prepared by the Independent Advisory Group, clearly merited further consideration, but his delegation required more time for consultations before formulating its conclusions.

26. His delegation agreed with the statement in paragraph 9 of the Secretary-General's report on a possible new approach to programme planning (A/48/277), that a process to elaborate and adopt policies and a framework to organize and present programmes and activities as justification for resource requirements were necessary to preserve and enhance the democratic character of the Organization as well as the cohesiveness and effectiveness of its Secretariat. The CPC proposal that current medium-term plan might be replaced by a combination of a policy perspective and a programme framework could be a viable alternative.

27. Mr. ROSTING (Denmark), speaking on behalf of the five Nordic countries, stressed the need to respect the role and authority of the Secretary-General as the chief administrative officer of the Organization during the process of the ongoing administrative reform. At the same time, it was important that Member States should see and understand the reasons for the changes in the Secretariat and should receive enough information to be able to assess their programmatic impact.

28. The Nordic countries agreed that there were a number of shortcomings in the current system of programme planning, budgeting, monitoring and evaluation. It

(Mr. Rosting, Denmark)

was unrealistic to plan the work of the Organization on the basis of a six-year time-frame with the current format. The difficulties were by the use of the same methodology for all activities. At the same time, the Organization needed to try to assess the development of activities in order to predict possible changes and be better prepared for those that were necessary and desirable. The ultimate goal of planning should be to be prepared for changes rather than define activities in detail several years in advance. Furthermore, different types of activities should be planned in ways more suited to their nature. Extrabudgetary activities should also be included in the plan.

29. The Nordic countries supported the recommendation of CPC that the current medium-term plan should be replaced by a composite document (A/48/16, Part II, para. 233). The policy perspective part of that document should set out broad priorities and resource levels for major programmes covering a period of about six years. Noting the recommendation of CPC that the perspective should be amended only if pressing needs of an unforeseeable nature arose during the period covered, he said it would be realistic to envisage such a revision every two years. The Nordic countries believed that, in addition to the perspective, it should be possible, when the need arose, to address specific ad hoc issues on which more precise intergovernmental guidance was desirable for the medium term. Those separate plans could be presented as addenda to the perspective or could be incorporated in the programme budget. Such a model could provide a flexible solution to the need for medium-term planning. The Nordic countries endorsed the CPC recommendation (para. 237) that the findings of the programme performance monitoring reports and evaluation processes should be taken into account in the formulation of the programmes as a key element to improve effectiveness.

30. The report on the restructuring and efficiency of the Secretariat (A/48/428) provided a useful overview of the measures taken so far. The Nordic countries emphasized that the transition should be as smooth as possible and that an evaluation should be carried out to determine whether the desired improvements had really been achieved. Although the report was more descriptive than analytical, the efforts to describe some aspects of the restructuring exercise were welcome. More time would undoubtedly be needed to permit a full analysis of the programmatic impact of the restructuring. The Nordic countries associated themselves with the request to the Secretary-General to report further on the matter.

31. The in-depth planning and evaluation of the work of the Secretariat required a study of those parts of the Headquarters structure which did not come under the regular budget. In the economic and social sectors, for example, the reform of the Secretariat should take into account the roles which the United Nations Development Programme (UNDP) and the United Nations Children's Fund (UNICEF) were expected to play. The same applied to the United Nations presence in the field, which should be evaluated regardless of the source of financing.

32. The Nordic countries welcomed the appointment of an Assistant Secretary-General for Inspections and Investigations and looked forward to hearing further details from the Secretary-General. They also welcomed the ideas put forward by the United States delegation regarding an independent Inspector-General.

(Mr. Rosting, Denmark)

33. The report of the Secretary-General on the accountability and responsibility of programme managers in the United Nations (A/48/452) contained a number of general observations with regard to management. The managerial skills currently required were much broader than only a few years earlier. The key issue was the need for an organization-wide system which would ensure that the objectives adopted by Member States were actually achieved, in a verifiable manner, with the available resources. The Nordic countries would accordingly welcome a plan to give all personnel further training in financial and administrative issues, but, since all personnel could not be reached at the same time, priority areas and personnel would need to be identified. Decisions regarding those activities should be taken by the Secretary-General, but Member States should be kept informed. Skills in modern methods of monitoring and the ability to use them in practice should be given considerable weight, in such matters as promotion. There should be a transparent link between good performance and reward, and vice versa. The Nordic countries had welcomed the efforts of the International Civil Service Commission (ICSC) in that area and looked forward to the presentation of the guidelines and training modules described by the Chairman of ICSC in his introduction of agenda item 128 (A/C.5/48/SR.11). Some of the proposed activities would require expert assistance to programme managers, for instance in setting priorities and in evaluation; such support already existed and should be enhanced. The Secretary-General should be asked to propose revisions of the relevant rules and regulations in areas where action by the General Assembly was needed. It might be useful to seek the advice of outside experts in that regard.

34. The Nordic countries endorsed the view that the efficiency of the administrative and financial functioning of the United Nations was, and would be, crucial, not only to the efforts of Member States and the Secretariat to meet the challenges ahead, but also to the image and credibility of the Organization itself. The key issue which still had to be resolved was the adoption by the Organization and its Secretariat of a system and style of management that would allow it to meet the demands of the 1990s.

35. Mr. PHANIT (Thailand) said that, given the new demands made on the United Nations since the end of the cold war, his delegation welcomed all efforts to restructure the Organization in order to enable it to meet the challenges successfully. The restructuring of the Secretariat should be evaluated to see how it was responding to the new demands placed on it. His delegation would like to hear the Secretary-General's views on a follow-up plan after the restructuring, and to be given an indication of how the restructuring related to the entire reform plan.

36. His delegation shared the deep concern of all Member States over the Organization's financial problems. It commended the efforts of the Secretary-General to establish a more secure financial base and applauded the initiative off the Ford Foundation in sponsoring an Independent Advisory Group on United Nations financing. His delegation was in full agreement with the recommendation in the Independent Advisory Group's report (A/48/460) that it was appropriate to divide United Nations expenditures into three categories: the regular budget financed by assessed contributions, peace-keeping financed by a separate assessment, and humanitarian and development activities, financed largely by

(Mr. Phanit, Thailand)

voluntary contributions. That division should be retained as it ensured that all Member States shared equitably in supporting United Nations core activities.

37. The recommendation that all countries should pay their assessed contributions on time and in full was simple and apparently straightforward, but, as Thailand, which had always paid its assessed dues in full, recognized, that was not easy to achieve. One of the prerequisites for the effective functioning of the United Nations, however, was that it should have the resources necessary to carry out its mandates. Member States should therefore honour their statutory obligations and make every effort to pay their contributions in full and on time.

38. The recommendation that Member States should pay their dues in four quarterly instalments instead of in a single lump sum at the beginning of the year warranted careful consideration. If it was adopted, it should be offered as an optional alternative to the current practice. It should also be offered as an option to those States which were in arrears in their payments and to countries facing budgetary difficulties and changing economic conditions. Member States with a good record of payments should be encouraged to continue to follow the existing practice. The option might, however, help to ease the current crisis.

39. His delegation was prepared to give careful consideration to the proposal that the United Nations should be given authority to charge interest on late payments under the new quarterly schedule and to deposit it in the Working Capital Fund. The scale of assessments should, however, be revised to reflect more accurately the capacity of States to pay. Otherwise, Member States which were currently assessed beyond their capacity to pay and which had difficulty in meeting their payments could face an unnecessary burden. The recommendation that the level of the Working Capital Fund should be increased from $100 million to $200 million and the Secretary-General's suggestion that adjustments should be made in future in order to maintain a balance between the Working Capital Fund and the regular budget could be advantageous. The Organization should, however, proceed with caution and study those issues further.

40. His delegation was in favour of the recommendation that the United Nations should not be given authority to borrow money, since commercial borrowing on the open market would require the payment of interest and that would only impose additional burdens on all Member States and increase the overall costs of the Organization. He noted that the Secretary-General's suggestion that Member States which were in arrears should be charged interest in order to meet the interest on commercial loans was not consistent with the Independent Advisory Group's recommendation that interest on late payments should be deposited in the Working Capital Fund.

41. The recommendation that, since peace-keeping was an investment in security, Governments should consider financing future peace-keeping costs from their national defence budgets needed further study. The cost of peace-keeping would continue to rise over the next few years. However, although Thailand supported the achievement of peace and stability throughout the world, it was not in favour of increasingly frequent resort to peace-keeping operations. Equal priority should be given to the economic, social and development sectors, in

(Mr. Phanit, Thailand)

which peace could be achieved through cooperation and negotiation rather than the use of weapons.

42. Mr. SOH (Republic of Korea) said that the restructuring of the Secretariat was a vital element in improving the efficiency of the administrative and financial functioning of the United Nations. His delegation commended the Secretary-General's decision to establish three new departments in the economic and social area, focusing on policy coordination and sustainable development, economic and social information and policy analysis, and development support, but it noted that a rational division of work and effective coordination machinery were also necessary. His delegation would like to be kept regularly informed of the progress made by the Secretary-General in that regard.

43. Restructuring was a continuous and complex task and problems could be expected to arise during the process. It was important, however, to maintain stability and efficiency while the restructuring was in progress so that it could be completed with minimum disruption to the work of the Organization.

44. His delegation joined in questioning the suitability of the format of the current medium-term plan and endorsed the recommendation of CPC regarding the preparation of a concise policy perspective document. That document could guide programme managers in the planning, budgeting, monitoring and evaluation of programmes.

45. The accountability and responsibility of programme managers was essential to the effective operation of the United Nations system and to the efficient implementation of individual programmes. An effective monitoring system must therefore be devised, which would include a timely and thorough assessment of programme implementation and a sound process of self-evaluation by programme managers. His delegation welcomed the recent establishment of the Office for Inspections and Investigations and hoped that it would help to ensure greater accountability. Training was an important prerequisite for ensuring accountability and building greater efficiency.

46. His delegation had noted the comments of programme managers regarding the rigidity of the regulations and rules. It would help Member States to assess the situation if a report could be prepared listing the shortcomings perceived by the programme managers and giving a detailed explanation of their need for greater discretion in the conduct of their work. Such a report should be available before the Secretary-General began his comprehensive review so that Member States would have time to make appropriate recommendations regarding the direction that review should take.

47. Mr. KHAN (Bangladesh) said that the challenge facing the United Nations was to adapt the Organization to enable it to respond effectively, within its budgetary constraints, to the demands of a changing world. His delegation therefore supported any measure designed to enhance the efficiency and effectiveness of the Organization. The objectives of reform should, however, be clearly set out and the process should be brought to an early conclusion. Too long a period of restructuring and reform would create turmoil and uncertainty within the Organization and adversely affect its most important asset, the commitment and dedication of its human resources. Every effort should therefore

(Mr. Khan, Bangladesh)

be made to complete the current phase of reorganization, which had begun in 1986 with the adoption by the General Assembly of resolution 41/213. His delegation recognized that the process of reform was hampered by the financial crisis faced by the United Nations over the past few years and hoped that the Organization would enjoy financial stability in the years ahead.

48. His delegation shared the view of CPC that the report which the Secretary-General had submitted (A/48/428) in response to the General Assembly's request for a report on the programmatic impact of the organizational changes was more descriptive than analytical, reflecting the current state of flux in the Secretariat. Consequently, it was difficult to evaluate both the programmatic impact and the restructuring process itself. He hoped that a comprehensive analytical report would be submitted to the General Assembly at its forty-ninth session, in accordance with General Assembly resolution 47/212 A. He believed, moreover, that greater attention should be paid to the issue of decentralization in the reform process.

49. The objectives of the reform process enjoyed broad support among all Member States. Restructuring should therefore be carried out in accordance with the guidelines and principles set out by the General Assembly. Close consultation and dialogue with Member States and intergovernmental bodies were essential to the success of the reforms. There was also a need for transparency and dialogue. In that connection, his delegation regretted that certain major changes in the structure of the Secretariat had been made without appropriate prior consultations with Member States and the relevant intergovernmental bodies and that the Committee's approval had been sought only on an ex post facto basis. He hoped that in future full and prior consultations would take place between the Secretariat, Member States and intergovernmental bodies.

50. The transfer and integration of the Office for Project Services into the newly established Department for Development Support and Management Services was a major initiative that would influence not only the structure of the Secretariat but also the future of technical cooperation in the United Nations system as a whole. He hoped that the modalities for the transfer would be fully in line with the decisions of the Governing Council of UNDP. In his view, the autonomy and operational flexibility of the Office for Project Services must be retained.

51. While the restructuring process had so far succeeded in grouping together a number of offices, consolidating related functions and activities, redeploying resources, and reducing unnecessary bureaucratic layers, his delegation felt that sufficient attention had not been paid to the issues of economic and social development in the developing countries. The link between security and economic and social development should be clearly reflected in the restructuring process. Moreover, with respect to the redeployment of resources, his delegation was concerned by the trend towards ad hoc solutions rather than a long-term approach. In an environment of uncertainty, frequent transfers and short-term contracts would not contribute to staff morale. In fact, there had been too much restructuring and little of the genuine reform which should be the real objective of the United Nations if it was to meet the challenges of the new era. There was therefore an urgent need for an independent evaluation of the impact

(Mr. Khan, Bangladesh)

of the restructuring process already undertaken before new steps were initiated. It seemed, moreover, that the redeployment of activities among the offices in New York, Vienna, Nairobi and Geneva lacked precise objectives and direction.

52. The establishment by the Secretary-General of the Office for Inspections and Investigations marked the first step towards the establishment of a broader audit, inspection and investigation authority within the Organization. His delegation welcomed the appointment of Mr. Mohamed Aly Niazi as Assistant Secretary-General in charge of that Office. In order to be successful, the Office must be given a clear mandate and a clear organizational structure. Its work, however, must not degenerate into a witch-hunt nor should it stifle genuine innovative initiatives. His delegation looked forward to receiving clarification regarding the relationship between the proposed office of inspector-general and the new Office for Inspections and Investigations.

53. On the question of the accountability and responsibility of programme managers in the United Nations, Member States expected the highest standards of efficiency, competence and integrity, as well as accountability and responsibility. However, in view of the difficulty of finding a proper balance between managerial discretion and responsibility, his delegation supported the action proposed in paragraph 58 of the Secretary-General's report (A/48/452). It also supported the conclusion of CPC that the report had not properly addressed the issues. Either the existing system of accountability and responsibility was not being properly implemented or it was not producing the desired results. He hoped that a transparent and effective system of accountability and responsibility would be put in place without delay, in compliance with resolutions 47/212 B and 47/214.

54. Mr. PANEV (the former Yugoslav Republic of Macedonia) said that the increasing demands and responsibilities that were being imposed on the United Nations by the international community required the strengthening of the efficiency and the administrative and financial functioning of the Organization. His delegation therefore supported the proposal for the introduction of a new format of the medium-term plan as a framework for formulating biennial programme budgets. Preventive diplomacy and peacemaking were essential aspects of the future activities of the United Nations and the necessary contingency funding should be provided for those peoples.

55. Referring to the report (A/48/460) of the Independent Advisory Group on United Nations financing, he said his delegation shared the view that the financial crisis faced by the Organization should soon be overcome by the joint action of Member States and the Secretariat. It also supported the idea of shortening the statistical base period for the scale of assessments and the proposal contained in the independent Advisory Group's report that the scale should be based on a three-year period. The division of United Nations expenditures into three categories - regular budget, peace-keeping, and humanitarian and development activities - was appropriate and the Organization's increased activities justified the increases in each of those categories.

56. His delegation supported the Secretary-General's efforts to enhance the capacity of the Secretariat, in particular, the changes which had been made during the first phase of the restructuring. Restructuring was a continuing

(Mr. Panev, the former Yugoslav Republic of Madedonia)

process and his delegation would like to see further improvement in that area. The efficiency of the Secretariat was a very complex issue that was of interest to all Member States. The policy regarding personnel, in both the Professional and General Service categories, was of particular importance. New States Members of the Organization were very interested in having their own nationals employed in the Secretariat in accordance with the existing rules and the relevant resolutions of the General Assembly.

57. The Secretary-General's report on the restructuring and efficiency of the Secretariat (A/48/428) provided a comprehensive and useful review of the action to be taken in that field. His delegation welcomed the proposal regarding the establishment of an office of inspector-general to ensure transparency in the work of the Organization and compliance with the resolutions of the General Assembly and the other rules and regulations of the United Nations.

58. Mr. CIVELEK (Turkey) said that the review of the efficiency of the Organization was a broad and complex matter and his delegation hoped that consideration of the reports of the Secretary-General on the restructuring and efficiency of the Secretariat and the accountability and responsibility of programme managers (A/48/428 and A/48/452) would allow the Organization to carry out its substantive responsibilities. While he welcomed the establishment of the Office for Inspections and Investigations, he believed that the time had come to organize a broad internal inspection unit, in accordance with General Assembly resolution 41/213. If there was, indeed, waste within the Organization, the peoples of the world had a right to demand an effective and dynamic response from the United Nations. A fundamental re-examination of the Organization's expenses, particularly its extrabudgetary expenditure, was required. In that connection, he regretted that, at the previous session, the Secretary-General had not proposed the creation of a system-wide inspection unit for the United Nations.

59. Although the efficiency and effectiveness of the Organization could be improved through periodic audits and extensive ex post facto inspections, his delegation was of the opinion that the United Nations and its staff did not deserve the media criticism which it had received in recent months. Mismanagement, corruption and waste could be found in every country, organization and corporation. Consequently, each establishment needed a strong inspection and investigation system. While the Secretary-General was the chief administrative officer of the Organization, the Board of Auditors and the Joint Inspection Unit were answerable to the General Assembly. It was therefore not easy to see how the Secretary-General controlled, inspected or investigated transactions and which professional inspection unit worked on his behalf. His delegation believed that the Secretary-General needed a strong and well-organized internal inspection unit to conduct audits which would encompass not only the financial and administrative but also the substantive and programmatic aspects of activities. In other words, inspectors could appraise the operational efficiency with which financial, physical and human resources were utilized and review programmes and activities financed from regular and extrabudgetary resources. In order to prevent certain types of improper transactions, inspectors could regularly undertake inspections and financial accountability and performance audits in order to ensure economy, efficiency and

(Mr. Civelek, Turkey)

effectiveness. Inspectors should be experts in the rules and regulations of the United Nations and in accountancy, economy, finance, law or management and should use audit standards. Moreover, their operations should not fall within the "grey area" of existing rules and all departments should take internal audit reports seriously. In addition, the Secretary-General should seek disciplinary and other action against personnel who had been found by the inspectors or investigators to have been guilty of wrongdoing. The States Members States of the Organization needed to ensure that the rapidly growing funds and assets managed by the United Nations were being efficiently and honestly used, since significant losses of such resources would only invite criticism. Corruption should not be tolerated during such difficult economic times and his delegation would like to see an acceptable standard of ethical behaviour in the Organization.

60. New solutions should be found to broaden the internal inspection system and, in that connection, his delegation welcomed the appointment by the Secretary-General of Mr. Mohamed Aly Niazi as Assistant Secretary-General in charge of the Office for Inspections and Investigations. That Office should carry out its duties and responsibilities independently of all bodies. In order to gain the world's confidence, the United Nations must set a better example in spending funds. An independent oversight authority should therefore be created before the end of the current session. His delegation shared the conclusion of the Joint Inspection Unit in paragraph 79 of its report on accountability and oversight in the United Nations Secretariat (A/48/420) concerning the weaknesses of the Organization in that area.

61. Mr. BARIMANI (Islamic Republic of Iran) said that the report on restructuring and efficiency of the Secretariat (A/48/428) failed to provide an analysis of the effects of restructuring and its programmatic implications and of the shifts in resources approved. An additional report was therefore required. The report also failed to identify any coordinating mechanism for the economic and social sectors. Three separate departments at Headquarters as well as the regional economic and social commissions and a number of United Nations agencies and programmes, now dealt with economic and social questions.

62. With regard to the report on the accountability and responsibility of programme managers (A/48/452), his delegation agreed with CPC that a system of accountability should, as a minimum, clearly allocate responsibilities and provide clear guidelines for the supervision of programme managers and for assessing their performance. The current mechanisms suffered from either inadequate resources or a lack of coordination.

63. The General Assembly, in its decision 47/454, had called for a review of the effectiveness of each of the administrative support units of the Secretariat. His delegation wondered whether the establishment of the Office for Inspections and Investigations could be regarded as a response to that request. In any event, there was a need for management reform at the Secretariat level to ensure transparency and efficiency and for a totally independent and neutral body to evaluate the performance of programme managers system-wide.

AGENDA ITEM 128: UNITED NATIONS COMMON SYSTEM (continued) (A/48/30 and Corr.1; A/C.5/48/4, A/C.5/48/17 and A/C.5/48/18)

AGENDA ITEM 129: UNITED NATIONS PENSION SYSTEM (continued) (A/48/9 and A/48/517; A/C.5/48/18)

64. The CHAIRMAN said that he had received a petition from the staff of the United Nations protesting against the recommendations of the International Civil Service Commission (ICSC) concerning the methodology to be used in the calculation of pensionable remuneration for staff in the General Service and related categories.

65. Mr. HUTCHESSON (Australia), speaking also on behalf of Canada and New Zealand, said that the three delegations reaffirmed their support for the common system, which was essential to the maintenance of a truly international civil service; without it, the costs borne by Member States would spiral. They therefore endorsed the ICSC request that the International Labour Organization (ILO) should bring its practice with respect to extra salary scale steps into line with that of the common system (A/48/30, para. 261 (a)). Furthermore, the proposal by the Director-General of the General Agreement on Tariffs and Trade (GATT) that the salaries of his professional staff should be aligned with those of the World Bank was not in conformity with the common system. In order to strengthen the common system further, all eligible participants must remain involved; the Federation of International Civil Servants' Associations (FICSA) should therefore resume its dialogue with ICSC.

66. Since the introduction of special occupational rates would make it easier for organizations to recruit highly skilled technical staff, it was regrettable that ICSC had not obtained the cooperation of the specialized agencies with a view to putting forward recommendations on such a system. There could be no place in the common system for special agency, as opposed to special occupational rates.

67. The three delegations would give close consideration to the Commission's recommendation (A/48/30, para. 120) that the base/floor salary scale for staff in the Professional and higher categories should be increased by 3.6 per cent with effect from 1 March 1994, through consolidation of part of post adjustment. Any increased costs should be met from efficiency dividends and other offsets. The procedures set out in the report of the Secretary-General (A/C.5/48/4), which were to be followed if his views on the salary scale for staff in the General Service and related categories were at variance with the ICSC recommendations did not sit well with the spirit of resolution 45/241, which required that such salaries should be adjusted on the basis of the Commission's recommendations. It was important to remove the disparities between the General Service salary scale and the ICSC recommendations and ensure proportionality between General Service and Professional salaries. The Secretary-General should work closely with the Fifth Committee in the matter.

68. The three delegations noted with concern that the calculation of post adjustment for Geneva did not take into account prices in France, although many Geneva personnel lived in France. That should be corrected in the next survey. Furthermore, the staff rules and regulations of the specialized agencies should

(Mr. Hutchesson, Australia)

be brought into line with United Nations practices with regard to expatriate entitlements.

69. The call in resolution 47/216 for the Commission to give equal attention to the promotion of sound personnel management was welcome, especially with respect to training, which was fundamental to enhanced organizational efficiency. The Commission's proposed guidelines for the evaluation of training were a step in the right direction, but all parties, including managers, must acknowledge the potential benefits.

70. The Commission's comprehensive review of the pensionable remuneration of staff in the General Service and related categories was welcome. The three delegations could accept that the pensionable remuneration should be determined by using 66.25 per cent of the net pensionable salary. That method would reduce the income inversion problem without adversely affecting levels of pensionable remuneration, but it would not fully solve the problem. Member States would have paid about US$ 150 million less in contributions to the United Nations Joint Staff Pension Fund (UNJSPF) in the period 1986-1990 if the procedures for determining the pensionable remuneration of Professional and General Service staff had been aligned in 1986 when the income inversion problem had first been noticed.

71. The procedure recommended by the Commission for a common staff assessment scale to determine pensionable remuneration of all categories was an overdue reform. However, the arguments for delaying the introduction of the scale until 1997 were not convincing since they missed the main point: the need to rationalize remuneration practices to minimize unnecessary costs. Deferment until 1997 would cost Member States a further US$ 100 million.

72. In resolution 47/203, the General Assembly had requested the United Nations Joint Staff Pension Board (UNJSPR) to consider the form in which it presented the results of actuarial valuations; the Fund's actuarial balance should be disclosed in dollar terms. Circulation of such information was a standard accounting practice and would not lead to any misunderstandings. It was to be hoped that the discussions between the UNJSPB, the Board of Auditors and others would result in greater transparency.

73. The Fund's investment performance had again been reasonable. While it was true that it was hard to find a similarly structured pension fund portfolio for comparison purposes, a fuller picture of the Fund's performance could only be provided by comparison with appropriate investment benchmarks. Member States had an obvious interest in seeing that the Fund's earnings were at least comparable with the market return. In view of the size of the Fund, the Board might reconsider the current arrangement under which it had only one global investment adviser.

74. Mr. KUZNETSOV (Russian Federation) said that his delegation was in favour of further strengthening the common system, for it provided clear advantages to participating organizations and ensured the continuity of conditions of service for their personnel. It also firmly supported ICSC as an independent expert body which was capable of finding effective solutions to emerging problems. All parties concerned must participate in the Commission's work. The refusal of

(Mr. Kuznetsov, Russian Federation)

FICSA to pursue a dialogue with the Commission was therefore surprising. Cooperation with ICSC should be based on observance of the interests of all parties, and the balanced mechanism for discussion established in the Commission should be preserved. It was to be hoped that the dialogue between the Commission and the staff organizations would be resumed.

75. The attention accorded by the Commission to the personnel issues under consideration could hardly be described as adequate, and questions of remuneration continued to take precedence over personnel policy issues, even though the General Assembly had addressed some personnel policy considerations to the Commission in section VII of resolution 47/216. Job classification was another important issue, and the time had probably come to issue the Master Standard, including all its tiers, and seek its practical and consistent application by the organizations. The consideration of such issues was particularly important in view of the Commission's forthcoming analysis of the Noblemaire principle. In any event, it seemed premature to seek a broader application of the Noblemaire principle without adequate preparation. Furthermore, a change of comparator would entail considerable, and possibly unjustified, costs.

76. The Commission's recommendations on the pensionable remuneration of staff in the General Service and related categories were unsatisfactory. The Commission had failed to attain the goal of establishing the same basic pension methodology for all categories of staff and thereby eliminating the existing anomalies. Moreover, the proposal to raise the grossing-up factor from 56.25 to 66.25 per cent would move the methodology even further from the one used for the Professional and higher categories of staff. The issue was certainly a difficult one, but it must be tackled.

77. The option proposed by the Commission and UNJSPB, however, would go in the right direction by introducing the income replacement principle, a common scale of staff assessment, a common procedure for interim adjustment, and more frequent revisions of the scale. As ACABQ noted in paragraph 6 of its report (A/48/517), those measures would significantly reduce the income inversion anomaly. His delegation would therefore accept the proposal despite its serious reservations, but it urged the Commission and the Board to keep the issue under review. It also shared the opinion of ACABQ as stated in paragraph 7 of its report, that the common scale would require careful monitoring to prevent any future anomalies.

78. Mr. TOYAMA (Japan) said that good conditions of service were an indispensable means of attracting the best-qualified staff, including persons from countries with high per capita incomes. However, the organizations must be streamlined in order to keep the financial burden on Member States at a reasonable level. Accordingly, Japan had supported the Commission's base/floor salary methodology and could accept the recommendation contained in paragraph 120 of its report for the scale to be increased by 3.6 per cent. In that connection, the Commission should consider abolishing the linkage between the mobility/hardship allowance and the base/floor salary and report its findings to the General Assembly.

(Mr. Toyama, Japan)

79. Turning to the pensionable remuneration of staff in the General Service and related categories, he said that the problem of income inversion affected the morale of Professional staff and destabilized the entire common system. The ICSC recommendation contained in paragraph 85 of its report was welcome as it would help to eliminate the anomalies. His delegation was not in a position to comment on the details of the proposal, such as the use of 66.25 per cent as the grossing-up factor, but it supported the general consensus.

80. In the light of the agreement on the biennialization of the agenda, the question of the proposed language incentive for staff in the Professional and higher categories should be deferred to the forty-ninth session. In any event, his delegation was not inclined to support the proposal, because it would be more cost-effective to spend the money on language training.

81. His delegation reaffirmed the importance of the Commission's role in maintaining the integrity of the common system and welcomed the decision of the Coordinating Committee of International Staff Unions and Associations of the United Nations System (CCISUA) to resume its participation in the Commission's deliberations.

82. Mr. ELZIMAITY (Egypt) said that his delegation accepted the recommendation contained in the report of ICSC (A/48/30) that increases in base/floor salary levels for staff in the Professional and higher categories should be equalized, especially since they were to be effected by stages and in reasonable proportions. That was a far better approach than freezing them for a certain period and then being required to make large, single-step increases. It thus approved the proposed adjustment of 3.6 per cent in the scale, with effect from 1 March 1994, for that would bring the scale into line with the comparator's scale.

83. Egypt also supported the Commission's recommendation that 66.25 per cent of salary should be used as the basis for determining the pensionable remuneration of staff in the General Service and related categories as from the first adjustment to the salary scale effected after 1 April 1994, as well as the recommendation relating to the development of a common staff assessment, to be applied starting in 1997. Although it would take three to four years to even out the inequalities in the existing system, the Commission's recommendation was a step in the right direction.

84. The language incentive for staff in the Professional and higher categories was a valuable tool that deserved to be copied by other organizations.

85. As for matters on which ICSC had not asked for any decision, it was important that the General Assembly should be informed of the consequences of those proposals which might have a far-reaching impact on the common system, since they required careful study.

The meeting rose at 1.10 p.m.